

Working From Home & Your Insurance Coverage

Whether you have a part-time or full-time job, run a business from home or simply telecommute a few days a week, there are insurance-related questions to contemplate. If you are depending on your renters or homeowners policy to protect your business or business-related liability incidents, you might be surprised to learn there are limitations to what a renters or homeowners policy will cover.

Operating a Home-Based Business

Running a business from your home means you have different concerns than the employee who simply telecommutes. Here are a few questions to contemplate:

- Do you keep business-related supplies or inventory in your home?
- Do you have specialized or difficult-to-replace equipment that requires special consideration? Many renters or homeowners policies limit office equipment replacement to \$2,500. Would this cover the equipment you need to keep your business running?
- Do clients or customers visit your home office? If so, are you protected against possible lawsuits if a visitor were to have an injury?
- If your home office were destroyed by a flood or fire, how would you be compensated for the downtime?

These are just a few of the questions you should discuss with your insurance provider or agent. Coverage for business-related property losses or liability exposures is typically excluded from a traditional homeowners policy. You may need to consider a business-related endorsement or a more comprehensive in-home business policy or business owners policy in order to be protected.

Telecommuting

Working from home is a benefit many employers have embraced as they compete to attract and retain quality employees and provide a satisfying work-life balance. But telecommuting is not always as simple as having a cell phone, a laptop and high-speed Internet. Concerns about cyberattacks add an additional layer of liability for the work-from-home professional. Verify that your company will install the necessary software on your home computer to protect the company's data, and be mindful of your own responsibility with regard to protecting company information. Telecommuters face similar risk factors as employees in the office with regard to work-related injuries and safety issues. You may want to verify that your employer's workers' compensation coverage will cross over to your home office.

Have a Conversation

Contact your insurance agent or company, ask questions, and check your coverage to see if there are gaps. A failure to disclose to your insurance company that you are running a business out of your home may result in being denied a business-related claim or a failure to renew your policy. Some professionals require professional liability insurance or errors & omissions (E&O) insurance. Don't let your hard work be lost to an accident or oversight. Have a conversation and make sure you are properly insured.

More Information

If you have insurance-related questions, please contact the Nebraska Department of Insurance at 402-471-2201, or call our toll-free consumer hotline at 1-877-564-7323. Visit the Department's website at www.doi.nebraska.gov or the NAIC website naic.org at www.insureuonline.org/smallbusiness/special_home_based_business.htm for additional information about home-based businesses.